



Grain Inspection,
Packers and
Stockyards
Administration

Process Verification

An Alternative to Traditional Inspection Services

Meeting the Needs of A Changing Market

Rapidly changing technology and consumer demands are bringing new marketing mechanisms and challenges to grain, oilseed, and related agricultural commodity merchandisers.

Traditionally, USDA's Grain Inspection, Packers and Stockyards Administration (GIPSA) only offered various grain testing services and established official grading standards. While these services and standards still play important roles in grain marketing, they no longer adequately address all emerging practices being used to market U.S. grain.

GIPSA is considering proposing a new Process Verification program to meet the market's rapidly evolving needs. Under the program, GIPSA would apply internationally recognized quality management standards to verify the quality process used rather than testing the actual grain itself. The process verification designation verifies the process and not the final product.

The Process Verification Program would provide industry participants with independent verification of their quality processes and standards, and a way to capture values not easily identified by traditional inspection and testing.

The Process Verification Program

By using GIPSA's Process Verification Program, producers, marketers, suppliers, and processors would have a new way to assure their customers of their processes designed to provide consistent quality products. Customers would gain confidence in the

quality processes thanks to GIPSA's independent-third party audits that would review, confirm, and certify a company's written manufacturing processes.

Under this concept, GIPSA would verify quality processes, and organizations could market

- ✓ **Market Driven**
- ✓ **Complements Industry Processes**
- ✓ **Based on International Quality Management Standards**
- ✓ **USDA Certification of Your Process**

their product as **"USDA Process Verified."**

GIPSA would use internationally recognized standards for quality management systems to evaluate all documents. This would ensure consistent auditing practices and promote international recognition of audit results.

Process Verification would be an alternative to GIPSA's traditional standardized test-and-certify services by providing impartial, third-party verification of any organization's processes, large or small, regardless of whether they're designed for identity preservation, testing, branding a product, or any other marketing goal.

Why Use Process Verification?

Quality criteria for commodities and their products are changing rapidly and vary widely among customers. Commodity segregation to meet various customer needs is becoming essential to capture markets and value. The complexity, or lack, of testing methods makes it difficult to determine some quality attributes through traditional sampling and testing protocols. Using a process approach would give organizations a viable means of ensuring quality while reducing risk and associated costs.

It is less expensive to give customers the quality they want by taking steps throughout production and handling rather than simply testing the end product to determine if it meets their needs. Finding alternative outlets for finished products that don't meet customers' needs reduces profits and can preclude organizations from the premium marketplace.

Process verification would be an economical and efficient way for organizations to assure customers that they are using a USDA-certified process to meet their needs.

Requirements

The program requirements would focus on standards for processes, not products. They would address the criteria a quality system must meet, but not dictate how an organization must meet those criteria. Rather, an organization would have latitude and flexibility to implement processes that meet differing customer expectations.

The requirements would provide models against which an organization's system can be audited to give it and its customers assurance that the system is operating effectively.

Overall, the process verification program would assess whether an organization had done everything necessary to ensure that the product meets the customer's requirements. It also would provide the organization the information it needs to effectively manage the processes that influence product quality.

Six Basic Program Requirements

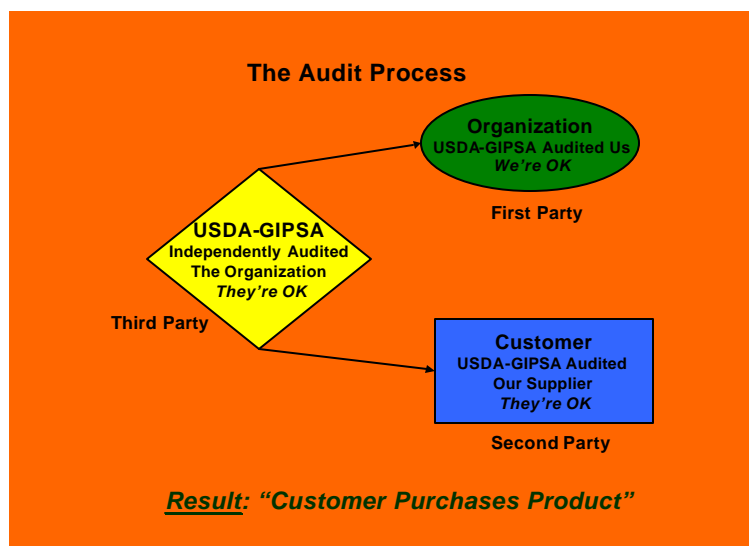
1. Process Documentation
2. Management Responsibility
3. Resource Management
4. Product Production/Realization
5. Measurement, Analysis, and Improvement
6. Control of Promotional Materials

GIPSA's Role

As conceptualized, under the program, GIPSA would confirm an organization's written manufacturing processes through periodic, announced and unannounced, independent, third-party audits.

To ensure they receive products of a known quality, many customers stipulate that their suppliers must implement and maintain a specified quality management system. Third party auditors could independently determine if the customer's stipulations are being met, thereby saving organizations and their customers from conducting additional process audits.

To maintain third-party impartiality and integrity, GIPSA would not participate in the development of the process to be verified.



GIPSA Auditors

GIPSA quality auditors would be fully trained by GIPSA and certified with grain and related commodity expertise. All lead auditors would have to pass the American Society for Quality's (ASQ) Certified Quality Auditor examination, and maintain this status with continuing education and practical experience in the quality process auditing field. ASQ is a professional society devoted to all aspects of quality assurance, control, and management techniques and theory.

Cost

The process verification program is envisioned to be user-fee funded. Applicants would be charged an hourly fee for documentation review and all audits, and for travel costs at the Government approved reimbursement rate.

Exact costs would vary depending on the scope of the process(es) being audited, the number of participating parties, and other factors. During the first year of program participation, applicants could expect to have one documentation review, one major system audit, and several surveillance audits.

GIPSA envisions providing cost estimates prior to providing service based on the scope of your program.

Approved Processes Receive USDA/GIPSA Recognition

Program participants would receive a USDA Certificate of Conformance for use in marketing their products. GIPSA also would post an organizations' approval on our web site, with permission, to further substantiate their certification.

Applicant Provides GIPSA:

- ✓ **A complete copy of their program documentation**
- ✓ **A copy of their most recent internal audit report**
- ✓ **An application for service**
- ✓ **Personnel to accompany GIPSA auditors**
- ✓ **Reimbursement for GIPSA's reviews**

GIPSA:

- ✓ **Reviews documentation and internal audit reports**
- ✓ **Conducts on-site process audit**
- ✓ **Certifies process and grants approval to market it as "USDA Process Verified"**
- ✓ **Posts certification on web site**
- ✓ **Performs surveillance audits to ensure continued compliance**

For More Information

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